

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2732-01
BILL NO.: HB 1084
SUBJECT: Courts: Circuit Clerks, Recorder of Deeds
TYPE: Original
DATE: January 24, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Missouri Housing Trust	\$0	\$0	\$650,000
Statutory County Recorder's	\$0	\$0	Unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2000	FY 2001	FY 2002
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2000	FY 2001	FY 2002
Local Government	\$0	\$0	\$4,200,000

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Treasurer's Office** assume no fiscal impact to their office.

Officials of the **Missouri Housing Development Commission** stated that their commission is currently funded by a \$3.00 recording fee on only mortgage-related documents. This proposal would result in an increase in revenue to the Housing Trust Fund by an unknown amount. Officials stated that they would be able to administer the additional funds without any additional staff or expense.

In response to identical legislation from last session, officials of the **Office of State Courts Administrator (CTS)** stated that this proposal would have no appreciable cost or savings to the state budget of the courts.

Oversight in developing revenue estimates used figures supplied by the State Court Administrators office in fiscal note 3010-01. The Recorder of Deeds organization estimated that about 1.3 million instruments are recorded annually.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003 (6 Mo.)
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MISSOURI HOUSING TRUST FUND

<u>Income to Missouri Housing Development Commission</u> from \$1.00 fee collected from Recorder of Deeds	\$0	\$0	\$650,000
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NET EFFECT ON MISSOURI HOUSING TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$650,000</u>
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STATUTORY COUNTY RECORDERS FUND

<u>Income</u> - \$1.00 fee collected by Recorder of Deeds	\$0	\$0	\$650,000
<u>Cost</u> - subsidizing fees of certain third class counties	\$0	\$0	(Unknown)

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
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(6 Mo.)

**ESTIMATED NET EFFECT
TO STATUTORY COUNTY
RECORDER'S FUND***

\$0 \$0 Unknown

***Subsidies would be given to third class counties that did not collect \$65,000 through their \$3.00 and \$5.00 fees.**

FISCAL IMPACT - Local Government

FY 2001

FY 2002

FY 2003

(6 Mo.)

COUNTY GENERAL REVENUE FUNDS

Income - \$5 from recording fees

\$0

\$0

\$3,250,000

**ESTIMATED NET EFFECT ON
COUNTY GENERAL REVENUE FUNDS***

\$0

\$0

\$3,250,000

***Does not include possible moneys from the state's Statutory County Recorders Fund.**

RECORDER'S FUNDS

Income - \$3 from recording fees

\$0

\$0

\$1,950,000

**ESTIMATED NET EFFECT ON
RECORDER'S FUNDS**

\$0

\$0

\$1,950,000

FISCAL IMPACT - Small Business

Small businesses which have documents recorded would pay higher fees.

DESCRIPTION

This proposal separates the offices of Circuit Clerk and Recorder of Deeds where these offices are combined. Current law limits separate recorders to just first, second and certain third classification counties. The difference will only affect third classification counties where the Office of Recorder and Circuit Court are combined.

Current law requires voter approval before these third classification counties can separate the
DESCRIPTION (continued)

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Circuit Clerk's office from that of the recorder. This act mandates separation by December 31, 2002.

This proposal requires beginning January 1, 2003, that Recorder of Deeds would collect an additional charge of \$10 on every recorded instrument. \$3 is designated into the Recorder's Fund; \$5 goes to the County General Revenue Fund; \$1 to the Missouri Housing Trust Fund; and \$1 to a newly created fund that will subsidize third classification counties that do not collect \$65,000 through their \$3 and \$5 portions. The subsidy would raise them up to the \$65,000 level.

The State Treasurer would make disbursements to qualifying counties to subsidize fees collected by third class counties. The unexpended balance at the end of 2 years would remain in the fund, and any amount over \$100,000 would be refunded equally to the General Revenue Fund of every contributing county.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Housing Development Commission
State Courts Administrator's Office
State Treasurer's Office

NOT RESPONDING: State Treasurer's Office, the Circuit Clerks of: Andrew, Atchison, Berry, Barton, Bollinger, Camden, Christian, Greene, Howard, Stone, Taney, Marion, St. Louis, Jackson, Boone, Cole, Callaway, Jasper, Cape Girardeau, St. Charles, Franklin, Jefferson, and Buchanan Counties.



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Director
January 24, 2000